



Downsize Your Pine Plantation

Improving your bottom line through thinning

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Downsizing became a household word during the 1990's. Many companies sought to become more profitable by doing away with lower yielding portions of their corporations and by combining efforts of related departments. In the same manner, one of the best forest management techniques a landowner can undertake to increase rate of return is to thin over-crowded pine plantations. Just as major corporations became lean by streamlining their production, you can improve your bottom line by focusing your resources (water, nutrients, and sunlight) on your most productive elements (crop trees). Unlike corporate downsizing, there is very little bad press associated with thinning, as almost all of the impacts on people are positive. It's a win-win situation!

Downsize by thinning

Companies that have undertaken downsizing have experienced improved growth for the portions of the company that were retained. In addition, by selling non-essential portions of the corporation, companies also generate short-term capital. In the same manner, the productivity of the final crop trees is increased and immediate income is generated as a result of thinning. Thinning will also make your timber stand less vulnerable to corporate raiders such as Southern Pine Beetle. Two often-unanticipated spin off benefits of thinning are improved whitetail deer habitat and aesthetics.

During corporate downsizing, departments with a limited life span, productivity limitations, or those ripe for hostile

takeovers are considered red flags for removal. In the same manner, trees that are suppressed have forks or cankers, and those susceptible to pest infestations are prime candidates for removal during thinning operations. By removing the less productive elements of your pine plantation, you will allow the final crop trees to grow at an even greater rate. Just as corporations seek accelerated growth in stock prices, the value of your pine plantation may very well double in 5 years if properly thinned!


Several large corporations experienced successful downsizing efforts during the early 1990's because they had a well-coordinated plan in place. You, too, need a plan if your downsizing efforts are to be successful. Your plan should be prepared by a competent resource profes-

sional with your best interest in mind. By having a written contract, closely monitoring the actual thinning operation, and reviewing the process upon completion, you will implement the same downsizing techniques that made many large corporations what they are today.

Plan Your Strategy

As you plan your downsizing efforts, consider the following trade secrets:

- 1 Select a customized thinning method. For most first time thins, consider a combination 5th row thin and crown thin with a residual basal area of 70 ft/acre. The thin-from-below method should be utilized the 2nd or 3rd time a stand is thinned. The method and intensity of the thinning on your property should be customized to meet your objectives and existing stand conditions.
- 2 Select a reputable, experienced timber purchaser. Remember, the primary purpose of a thin is to set up your pine plantation for future growth in value. Therefore, immediate revenue is secondary to long-term productivity. The selection of a reputable timber purchaser is one of the most important steps in the entire thinning process.
- 3 Consider a "pay-as-cut" contract. Pay-as-cut contracts often yield higher revenues for landowners than those sold lump sum. Under this method of payment, the timber purchaser assumes less risk. However, most of the risk of losing money is shifted from the timber purchaser to you! Therefore, consult with your industry expert before selling timber using this method of payment.
- 4 Don't limit your contact to paper industries. Some of the highest prices and best jobs of thinning may come from wood dealers and manufacturers of oriented strand board (OSB). Be sure to shop around.
- 5 Collect a performance bond. You or your industry expert should hold a performance bond until the timber purchaser completes the contract to ensure compliance. The amount of the bond is determined primarily by the size of the area to be thinned, ranging in size from 5-10% of the total anticipated value of the timber to be removed.
- 6 Don't be fooled by high chip-n-saw prices. Chip-n-saw prices are typically 2-3 times greater than those for pulpwood. However, if there are no trees of this size class to be removed or if the purchaser does not separate the products, the price difference is irrelevant.
- 7 Consider rate of return. Remember, the primary purpose of a thin is to increase future value by stimulating the growth of better trees. Unless there is a significant increase in price anticipated within the next year, go ahead and thin. The loss in rate of return due to the slowed growth of crop trees is probably the most underrated thief of productivity.
- 8 Inspect thinning operation. It's a good idea to inspect the thinning operation on a regular basis to ensure that the proper trees are being removed and the crop trees are being protected. Take pictures of roads and stand density both before and after thinning. These will be beneficial in the case of a dispute and will also serve to document your progress!

By understanding these principles and by using industry professionals with your best interest in mind, you are much more likely to successfully downsize your pine plantation and greatly improve your bottom line. 


Jim and Jan Witt

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boating. A three-acre crawfish pond also provides a water resource as well as crawfish for the family and friends. .

Because of the rich history of the area and the farm itself, several old buildings have been left on the property. An old home and several outbuildings and barns still stand and some are in use. The Witt's have taken great efforts to preserve the remnants of what was once an old stagecoach road.

The Witt's are committed to promoting natural resource education and for several years they have hosted the county forestry judging contest.

Because of their outstanding efforts, the Witt's have been awarded the distinction of TREASURE Forest. They are the 1,656th TREASURE Forest to be certified in the state. 

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